

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: April 2, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2521 (Mr. John Kerry of Massachusetts).

**Proponent name,<sup>3</sup> location:** Avid Technology, Inc., Tewksbury, MA.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Audio interface units for sound mixing, recording and editing, the foregoing capable of full interface control using separate automatic data processing systems (provided for in subheading 8543.70.96).

**Check one:**     ☐ Same as that in bill as introduced.  
                     ☒ Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

The subject products are audio interface units designed to route and control audio signal flow using the proponent's proprietary audio software. The unit is utilized in the same manner as an analog mixing console and patch bay with a tape machine. These goods are primarily imported from China.

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<sup>1</sup> Industry analyst preparing report: Mihir Torsekar (202-205-3350); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8543.70.96:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.6%	2.6%	2.6%	2.6%	2.6%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$3,800,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000
Customs revenue loss <sup>b</sup>	\$98,800	\$249,600	\$249,600	\$249,600	\$249,600

a/ Dutiable import estimates were provided by industry sources,

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Avid Technology, Inc.(Proponent) Marla Lyon, 970-640-3631	11/24/2009	No	No	No
Yamaha Steinburg Misao Tanaka, misao_tanaka@gmx.yamaha.com	12/8/2009	No	No	No
Fairlight Philippe Guichard, philippe@fairlightus.com	12/1/2009	No	No	No
Panasonic, Inc. Martha Whiteley, whiteley@us.panasonic.com	1/5/2010	No	No	No
Shure, Pro Audio Mike Lohman, publicrelations@shure.com	1/5/2010	No	No	No
Sony USA Lisa Davis, Lisa_davis@sonyusa.com	1/5/2010	No	No	No

**Technical comments:<sup>4</sup>**

As presented in the bill as introduced, and potentially in the version of the description shown on page 1 because of the nature of the product, it is possible that the proposed article description could present interpretive and administrative issues for Customs and Border Protection. The language as written seems to be based on the “actual use” of the goods, in that the provision specifies that the goods are “for” particular functions, which would need to be verified by CBP. The class of merchandise “audio interface units” is fairly broad, and the term “full interface control” is not defined. Moreover, article descriptions contained in the HTS do not usually use unknown proprietary characteristics in distinguishing among imported goods. Also, we assume the “separate automatic data processing system” needed to control the

<sup>4</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

interface unit is not intended to be covered by the proposed heading, but this is not clear from the proposed article description—and if the ADP system is not present it would be difficult for CBP to test and ensure that the interface unit does what is required. It is suggested that the proponent’s technical representatives discuss a revised description with appropriate CBP officials to come up with a workable approach that can be captured in language consistent with normal HTS usage.

111TH CONGRESS  
1ST SESSION

# S. 2521

To suspend temporarily the duty on audio interface units for sound mixing, recording, and editing capable of full interface control by separate automatic data processing system using proprietary software protocol.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

Mr. KERRY (for himself and Mr. KIRK) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on audio interface units for sound mixing, recording, and editing capable of full interface control by separate automatic data processing system using proprietary software protocol.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. AUDIO INTERFACE UNITS FOR SOUND MIXING,**  
2 **RECORDING, AND EDITING CAPABLE OF**  
3 **FULL INTERFACE CONTROL BY SEPARATE**  
4 **AUTOMATIC DATA PROCESSING SYSTEM**  
5 **USING PROPRIETARY SOFTWARE PROTOCOL.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of  
7 the Harmonized Tariff Schedule of the United States is  
8 amended by inserting in numerical sequence the following  
9 new heading:

“	9902.01.00	Audio interface units for sound mixing, recording, and editing capable of full interface control by separate automatic data processing system using proprietary software protocol (provided for in subheading 8543.70.96) .....	Free	No change	No change	On or before 12/31/2011	”.
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10 (b) EFFECTIVE DATE.—The amendment made by  
11 subsection (a) applies to goods entered, or withdrawn from  
12 warehouse for consumption, on or after the 15th day after  
13 the date of the enactment of this Act.

